

OREGON ACCOUNTING MANUAL	
Subject: Accounting and Financial Reporting	Number: 15.55.00
Division: Chief Financial Office	Effective date: July 1, 2013
Chapter: Accounting and Financial Reporting	
Part: Non-Capital Assets	
Approved: George Naughton, Chief Financial Officer	Signature on file

PURPOSE: This policy provides guidance on accounting for non-capital assets, including non-capital intangible assets.

AUTHORITY: **ORS 293.590**

APPLICABILITY: This policy applies to all state agencies included in the state’s annual financial statements, except those agencies specifically exempted by [OAM 01.05.00](#).

DEFINITION: **Non-capital assets:** Tangible or intangible property used in agency operations having an initial estimated useful life of one year or more and an initial cost (including [ancillary charges](#)) of less than \$5,000. Examples of tangible non-capital assets: cell phones, calculators, laptop computers, firearms, and software. Examples of intangible non-capital assets: easements, water or mineral rights, trademarks, patents and software.

Click here for other [definitions](#).

POLICY:

- 101. Agency management must ensure the proper accounting and reporting of non-capital assets and establish a system of internal control that reduces the risk of theft or other loss.
- 102. Record non-capital assets as expenditures or expenses. Do not record them in the capital asset general ledger (GL) accounts.
- 103. When disposing of surplus non-capital assets, contact the Department of Administrative Services (DAS), State Surplus Property Program for instructions.
- 104. In addition to this policy, [Statewide IT Policy 107-004-010](#), *Information Technology Asset Inventory and Management*, applies to all IT assets (including non-capital IT assets).

PROCEDURES:

- 105. When an agency acquires a non-capital asset, record it as an expenditure in governmental funds or an expense in proprietary and fiduciary funds. Charge the non-capital asset to the services and supplies comptroller object that best matches the nature of the asset acquired.

106. Statewide IT Policy 107-004-010 requires agencies to tag non-capital IT assets and to maintain an inventory. Agencies may use their subsidiary property ledgers to establish the inventory.
107. Statewide IT Policy 107-004-010 also requires agencies to conduct an annual physical inventory.
108. Agencies are encouraged to apply the internal control measures discussed in paragraphs 106 and 107 to other non-capital assets at high risk of loss:
 - Computers and electronic equipment
 - Photography equipment
 - Firearms
 - Hand tools
 - Any non-capital assets assigned to employees, contractors, and volunteers
109. When disposing of surplus non-capital assets, follow the guidelines established by DAS, State Surplus Property Program unit. Use the form designated by the State Surplus Property Program to facilitate the disposal. The form will serve as documentation of the removal of non-capital assets from the agency's subsidiary property ledgers.